

Message Text

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47/41

ACTION ARA-10

INFO OCT-01 ISO-00 SSO-00 NSCE-00 INRE-00 USIE-00 CIAE-00

DODE-00 PM-03 H-02 INR-07 L-02 NSAE-00 NSC-05 PA-02

RSC-01 PRS-01 SP-02 SS-15 AID-05 COME-00 EB-06 FRB-01

TRSE-00 XMB-04 OPIC-06 CIEP-02 LAB-03 SIL-01 OMB-01

FEA-01 INT-05 /086 W

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O R 251650Z OCT 74

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC IMMEDIATE 481

INFO AMEMBASSY PORT OF SPAIN

AMEMBASSY SANTO DOMINGO

AMCONSUL PARAMARIBO

USCINCSO POLAD

UNCLAS GEORGETOWN 1919

C O R R E C T E D C O P Y (T E X T)

E.O. 11652: N/A

TAGS: EINV, ELAB, EMIN GY

SUBJECT: MINISTER JACK SAYS GOG WILL NOT TAKE CONTROL OF REYNOLDS
NOW; REAFFIRMS TAKEOVER BY DECEMBER 31 AND DENIES REYNOLDS WILL BE
PAID FOR STOCKPILED BAUXITE

USCINCSO FOR POLAD FOR INFO

1. DELIVERING OPENING ADDRESS TO BIENNIAL DELEGATES CONGRESS OF
GUYANA MINeworkers ON OCT 25, MINISTER OF ENERGY AND NATURAL RE-
SOURCES HUBERT JACK STATED THAT GOVT WILL TAKE STEPS TO ENSURE NO
WORKER WILL SUFFER BECAUSE OF REYNOLDS DECISION TO LAYOFF THREE
HUNDRED AND FIFTY-NINE EMPLOYEES. JACK ADDED, HOWEVER, THAT QUOTE
WE WILL NOT RPT NOT APPOINT A CONTROLLER NOW AND WE WILL NOT RPT
NOT TAKEOVER THE COMPANY NOW BUT WE WILL TAKE OVER THE COMPANY BY
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THE END OF THE YEAR UNQUOTE. JACK SAID THAT TO NATIONALIZE REYNOLDS

NOW OR TO APPOINT CONTROLLER NOW WOULD BE TO DO WHAT REYNOLDS WANTED
IN ORDER TO CLAIMS ITS OPIC INSURANCE. INSTEAD GOVT INTENDED
TO RETAIN ITS FLEXIBILITY.

2. BEGINNING HIS ADDRESS, JACK OBSERVED THAT DIFFICULT TIMES WERE
AHEAD FOR MINEWORKERS. JACK CITED CASE OF REYNOLDS LAYOFFS
AND ACCUSED COMPANY OF TRYING TO PRESSURE GOVT. (REYNOLDS INFORMED
UNION OCT 23 IT WILL LAY OFF 359 EMPLOYEES NOV 3 FOR BLUE COLLAR
AND NOV 30 FOR WHITE COLLAR, WITH TERMINATION PAY BY INSTALLMENT,
UNLESS GOG RESCINDS PROHIBITION ON EXPORT OF CALCINED AND CHEMICAL
GRADE BAUXITE.) HE SAID THAT, WHILE REYNOLDS HAD BEEN PROHIBITED
FROM EXPORTING CALCINED AND CHEMICAL GRADE BAUXITE, THERE WERE
THOUSANDS OF TONS OF METAL GRADE ON HAND WHICH COULD BE EXPORTED.
THEREFORE, JACK ARGUED, THERE WAS NO REASON TO LAY OFF WORKERS.
HE WARNED REYNOLDS WAS MISTAKEN IF IT BELIEVED STOCKPILED BAUXITE
COULD BE ADDED TO ITS EVENTUAL COMPENSATION CLAIM. COMPENSATION,
JACK SAID, WOULD BE BASED ON QUOTE RELEVANT ASSETS UNQUOTE.
WHILE GOVT WAS STILL CONSIDERING ALTERNATIVES, JACK OBSERVED THAT
SOME COUNTRIES HAD NATIONALIZED ONLY SELECTED PARTS OF FOREIGN
COMPANIES.

3. JACK RETURNED TO QUESTION OF PROTECTION OF WORKERS AND SAID
GOVT COULD NOT DISCLOSE ALL OF ITS PLANS BUT GOVT WOULD REFUSE TO
RECOGNIZE LAYOFFS AND WOULD CONSIDER EMPLOYEES AS STILL WORKING.
GOVT INTENDED TO RAISE ISSUE OF LAYOFFS DURING COMPENSATION TALKS.
CONTINUING, JACK SAID GOVT HAD ASKED REYNOLDS TO DISCUSS COM-
PENSATION SEVERAL WEEKS AGO BUT REYNOLDS HAD REFUSED. JACK STATED
THAT GOVT WOULD NOT RPT NOT INVITE REYNOLDS TO DISCUSS COMPENSATION
AGAIN. REYNOLDS WOULD HAVE TO ASK THE GOVT.

4. JACK THEN DISCUSSED REYNOLDS OPIC COVERAGE, HE NOTED THAT
TWO OPIC REPRESENTATIVES HAD EXAMINED REYNOLDS FACILITIES AND HE
ASKED HIMSELF IF THIS WAS SIGN REYNOLDS HAD ALREADY FILED ITS OPIC
CLAIM. JACK SAID OPIC'S MONEY BELONGED TO U.S. GOVT AND PEOPLE,
BUT HE DID NOT FEEL REYNOLDS WAS FULFILLING ITS OBLIGATION TO OPIC
TO PROPERLY MAINTAIN ITS FACILITIES. AS AN EXAMPLE, JACK MENTIONED
THAT STOCKPILING OF BAUXITE WAS THREATENING CERTAIN INSTALLATIONS.
JACK EMPHASIZED THAT, IF ANY DAMAGE OCCURRED REYNOLDS WOULD HAVE
TO SETTLE WITH THE GOG BEFORE COMPENSATION TALKS COULD BEGIN.

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5. IN CONCLUDING HIS REMARKS ON REYNOLDS, JACK STRESSED THAT
GOVT WOULD REMAIN FLEXIBLE, WOULD KEEP QUIET ABOUT ITS PLANS,
AND WOULD AVOID DOING WHAT REYNOLDS WANTED TO COLLECT ITS OPIC
INSURANCE. JACK SAID THAT GOVT INTENDED QUOTE TO KEEP ITS COOL
UNQUOTE.

6. UNLIKE SOME OTHER RECENT SPEECHES BY GOG MINISTERS, JACK'S
WAS CALMLY DELIVERED WITHOUT ATTACKS ON ENEMIES AND ALLEGED USG

PRESSURE. WHATEVER, WE ALREADY HAVE INDICATION MAJOR SPEECH BY
PRIME MINISTER OCT 27 WILL REFER TO REYNOLDS BAUXITE DISPUTE.
KREBS

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Message Attributes

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